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%% Section 1: User settings for the SMM estimation
appMethod      = 2;           % 1 for pruning and 2 for extended perturbation
tau            = 5;           % model moments computed from a sample of tau*T observations
orderApp       = 2;           % Approximation order of DSGE model
T              = 200;         % Length of the simulated sample path

autoLagsIdx    = [1 5];       % Number of lagged covariances included in the GMM estimation
selectY        = [1,2,5]';    % The control variables selected for the estimation
qLag           = 20;          % Number of lags for the Newey-West estimator of W
epsValue       = 1e-6;        % stepsize for computing standard errors

% Among the variables in selectY, we include the following moments in the
% estimation, where 1 indicates inclusion and 0 otherwise.
inclMoms_Ey     = [1 1 1]';    %for first moments
inclMoms_Eyy    = [1 1 1 ;     %for contemporaous second moments
                  0 1 1 ;
                  0 0 1 ];
inclMoms_autoEyy = repmat([1 1 1 ]',1,length(autoLagsIdx)); %for auto-cov

```